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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**SEARS HOLDINGS CORPORATION, *et al.*,  
  
Debtors.**

**Chapter 11**

**Case No. 18-23538 (RDD)  
  
(Jointly Administered)**

**OBJECTION OF WASHREIT FREDERICK COUNTY SQUARE LLC  
(STORE NO. 3131) TO DEBTORS' CURE COSTS AND POTENTIAL ASSUMPTION  
AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

WashREIT Frederick County Square LLC ("**WashREIT**"), by and through its undersigned counsel, hereby objects to the Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (the "**Cure Notice**")<sup>1</sup> [Dkt. No. 1731], and in support thereof states as follows:

1. On October 15, 2018 (the "**Petition Date**"), Sears Holdings Corporation and related entities commenced their bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

2. As of the Petition Date, WashREIT was the landlord and Kmart Corporation (the "**Debtor**") was the tenant under a lease of nonresidential real property located at 1003 W. Patrick

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Cure Notice.

Street, Frederick, Maryland 21701 (Store No. 3131) dated as of October 27, 1972, as amended and modified from time to time (the “**Lease**”).

3. On January 18, 2019, the Debtor filed the Cure Notice.

4. In the Cure Notice, the Debtor indicates that the Lease may be assumed and assigned in connection with the sale of the Global Assets and asserts that no Cure Amount is due under the Lease. See Cure Notice Ex. B, Line 176.

5. The Debtor is in default of its monetary obligations to pay real estate taxes pursuant to the Lease.

6. WashREIT’s monetary cure claim as of the filing of this Cure Claim Objection with respect to the Lease is in an amount not less than \$146,017.43. A summary of the cure claim together with evidence in support of the cure claim amount is attached hereto as Exhibit A.

7. The entirety of the cure claim amount asserted by WashREIT pursuant to the Lease is for real estate taxes for the period July 1, 2018 – June 30, 2019.

8. In order to assume the Lease, the Debtor must cure the aforementioned defaults.

9. This Cure Claim Objection is without prejudice to the fact that other and additional cure claim amounts (a) may exist and/or may become known at a future date and (b) will accrue on an ongoing basis between the filing of this Cure Claim Objection and any subsequent assumption of the Lease. WashREIT expressly reserves its right to amend or supplement its Cure Claim Objection through and including the effective date of any proposed assumption and assignment of the Lease.

WHEREFORE, WashREIT respectfully requests the entry of an order pursuant to 11 U.S.C. § 365(b)(1) requiring that prior to assuming and assigning the Lease, the Debtor cure the real estate taxes due under the Lease in the amount of \$146,017.43 together with any and all

other cure amounts due under the Lease that arise prior to the actual date that the Lease is assumed, as well as such other and further relief as is just and proper.

Dated: January 25 , 2018

Respectfully submitted,

By: /s/ Jonathan A. Grasso  
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*Attorneys for WashREIT Frederick County Square  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on January 25, 2019 a true and correct copy of the foregoing Objection has been served via the Court's CM/ECF system on all parties registered to receive such service and on the parties listed below as indicated.

**VIA EMAIL**

**I. Bid Notice Parties**

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